



General Assembly

February Session, 2008

Raised Bill No. 5928

LCO No. 3368

03368_____FIN

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING A CIRCUIT BREAKER FOR THE PROPERTY TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-124a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2008, and*
3 *applicable to assessment years commencing on or after October 1, 2008*):

4 (a) [Any municipality may, upon approval by its legislative body or
5 in any town in which the legislative body is a town meeting, by the
6 board of selectmen,] Each municipality shall abate the property taxes
7 due for any tax year with respect to any residential dwelling occupied
8 by the owner or owners and for whom such dwelling is the primary
9 place of residence, to the extent that such property taxes exceed [eight]
10 six per cent or more of the total income from any source, adjusted for
11 self-employed persons to reflect the allowance for expenses in
12 determining adjusted gross income for federal income tax purposes, of
13 such owner or owners and any other person for whom such dwelling
14 is the primary place of residence, for the calendar year immediately
15 preceding the beginning of the tax year for which such taxes are due.
16 Application for such abatement shall be made not later than thirty

17 days preceding the tax due date for such tax year, provided if the
18 amount of such taxes has not been determined on such date, within ten
19 days following determination of the amount of such taxes.

20 (b) [Whenever any municipality has approved abatement of taxes as
21 provided in subsection (a) of this section, the] The owner or owners
22 shall deliver to the tax collector in such municipality, not later than ten
23 days following the tax due date for such taxes abated, an agreement,
24 on a form executed and acknowledged in the form and manner
25 required for the transfer of an interest in real property, to reimburse
26 such municipality in the amount of the taxes abated. [, with interest at
27 six per cent per annum or such rate as approved by the legislative
28 body.] Such agreement shall contain a legal description of the real
29 property with respect to which such abatement is approved and shall
30 be recorded in the land records of such municipality. Such agreement
31 shall constitute a lien on such real property which shall remain valid
32 until paid. Such lien shall be due and payable in full upon the sale or
33 transfer of such real property or upon the death of the owner, or if
34 owned by more than one person at the time such lien is created, upon
35 the death of the last of such owners surviving. Such lien shall be
36 released by the tax collector in such municipality when the taxes
37 secured thereby have been paid. No lien recorded under the provisions
38 of this subsection shall take precedence over any mortgage recorded in
39 the land records prior to such certificate of lien.

40 (c) On or before June thirtieth annually, the Secretary of the Office of
41 Policy and Management shall determine the amount due, as payment
42 for residential property tax relief, to each town in the state wherein
43 there is a differential between the property tax liability and the
44 income-adjusted property tax liability, as required pursuant to section
45 12-62a.

46 Sec. 2. (*Effective from passage*) The sum of ____ dollars is
47 appropriated to the Office of Policy and Management, from the
48 General Fund, for the fiscal year ending June 30, 2008, for residential

- 49 property tax relief provided pursuant to section 12-124a of the general
50 statutes, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008, and applicable to assessment years commencing on or after October 1, 2008</i>	12-124a
Sec. 2	<i>from passage</i>	New section

Statement of Purpose:

To provide residential property tax relief by limiting property tax liability to not more than six per cent of a resident's income.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]